

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Chemart Company

#### Rhode Island Manufacturing Extension Services

#### ChemArt Adopts Lean Initiative

##### Client Profile:

ChemArt designs and manufactures Christmas ornaments, collectibles, bookmarks, and lapel pins. The company's core competencies are used to produce precision industrial components for the automotive, defense, energy, and medical industries, while at the same time applying the technology to create custom decorative products -- ornaments, book marks, page clips and accessories -- that service the non-profit, fund-raising, and retail markets as well as governmental departments and agencies. ChemArt's 100 employees oversee all aspects of development from design, tooling, etching, plating, screening and finishing, to assembly, packaging, and distribution. The 30-year-old company has two facilities in Lincoln, Rhode Island.

##### Situation:

ChemArt is an ISO 9001:2000 certified company and has received multiple awards for service, quality and its continued commitment to manufacturing. ChemArt takes great pride in producing products that are 'Made in America' and appeared on John Ratzenberger's "Made in America" show on the History Channel in December of 2005. Notably, ChemArt holds the status of the sole producer of the White House Ornament over the past 26 years. Based on its past continuous improvement achievements, ChemArt prepared to attain an even higher level of quality and service through the implementation of Lean manufacturing processes to create an environment that will be both successful and sustainable. ChemArt's President, David Marquis, contacted the Rhode Island Manufacturing Extension Services (RIMES), a NIST MEP network affiliate, for assistance with training and implementation of a Lean initiative.

##### Solution:

RIMES worked with ChemArt to help it secure a training grant, funded by the Rhode Island Governors Workforce Board. Upon grant approval, RIMES and ChemArt began training over 80 employees in Lean 101, Value Stream Mapping, and 5S. RIMES then worked with ChemArt to select a Steering Committee to begin implementing the Lean principles into the company's day-to-day operations. The Lean initiative began with two Lean 5S projects, one in its chemistry lab and the other in its industrial metal storage area. As a result of the Lean training and implementation, the lab was totally remodeled and the company is preparing to convert a portion of the lab space into a clean-room for inspection of the industrial components that it manufactures. The lab 5S team greatly reduced potential safety hazards in the lab, streamlined testing procedures, and freed up valuable space that will now be used to better support the company's business. ChemArt's Lean efforts in its metal storage area also showed a good return on investment. The company has greater understanding of its industrial metal inventory as a result of a complete revamp of its storage system. The metal storage 5S team also was able to generate revenue and free up valuable space by recycling metal inventory that was not being used, including over \$13,000 in copper that was sitting unused. ChemArt began Value Stream Mapping the 'front end' of its business, with an eye toward streamlining the process to provide faster

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turnaround time to its customers and has been able to increase the value it provides to customers by removing non-value added steps such as multiple internal approvals.

#### **Results:**

- \* Realized \$55,000 in cost savings.
  - \* Improved throughput.
  - \* Created 3 new jobs.
- Created 3 new jobs.

#### **Testimonial:**

The RIMES-assisted Lean training and implementation has allowed for a fundamental change in the way we approach problem solving. Decisions are now based upon teamwork, gaining consensus and buy-in from the managers and employees. As a result, the company is more flexible and adaptable. The Lean initiative has allowed non-management employees to develop and utilize problem solving and management skills that they would not have been call upon to use before. It has inspired our employees to push themselves out of their comfort zone and to take leadership roles within our company."

Kurt Hague, VP of Corporate Development.